



FOR IMMEDIATE RELEASE

## FACT SHEET

### **MAYOR ANNOUNCES \$4 MILLION ANNUAL SAVINGS PLAN FROM REORGANIZATION OF ENVIRONMENTAL SERVICES**

***IMPLEMENTATION WILL SAVE \$39.5 MILLION IN FIRST TEN YEARS***

#### **BUSINESS PROCESS RE-ENGINEERING CONTINUES MAYOR'S REFORM EFFORT**

The City of San Diego's Environmental Services Department has completed its Business Process Re-Engineering effort and has found ways to save more than \$4 million each year for its enterprise fund.

The Department intends to consolidate six operational divisions into three leading to reductions in administrative staff. The Department will also centralize its accounting staff under its new division structure.

The customer service and work order management processes will be standardized allowing field supervisors to increase their use of computer technologies giving the Department greater ability to track its work efforts.

Pending completion of the meet and confer process with City unions and approval by the City Council, the Department will immediately undertake cost cutting and efficiency measures leading to further consolidation and centralization of staff and a reduction in the Department's fleet of heavy equipment.

The Department's reorganization plan is designed to save \$2.46 million in this fiscal year alone. Another \$1.36 million will be saved each year beginning in FY08 with additional annual savings totaling \$359,000 added by FY10.

"I promised to cut costs and improve efficiencies wherever possible at the City. The BPR team at Environmental Services did an excellent job of meeting both goals. They have done it without affecting customer service levels and with an eye toward even greater savings in the future. I applaud their success and think the City Council will be equally impressed when this proposal comes before them for consideration."

Mayor Jerry Sanders

## **PLAN CALLS FOR POSITION CUTS AND NEW APPLICATIONS FOR SOFTWARE RESOURCES**

- **39 positions will be eliminated under the reorganization plan.** Cutting the positions and their related expenses will let the Department avoid nearly \$4 million in annual costs in each full fiscal year.
- The Department intends to permanently eliminate 21.5 positions that are currently vacant and will be cutting 14.5 other positions that will not affect its ability to provide direct services like refuse collection, waste disposal or recycling.
- **An “Octopus” software model will be implemented.** The Department will begin using existing software resources in new ways to reach out, extract and analyze data now held across multiple parts of the City’s antiquated financial management computer systems. The new “Octopus” software model will be used throughout the Department to track performance measures and the status of its budget creating efficiencies that will save \$200,000 each fiscal year.
- This effort is being made in response to recommendations included in the Kroll report and will be compatible with similar data management efforts being undertaken in other departments.
- **The Department will also reduce its fleet of wheeled scrapers,** the massive vehicles used to excavate new disposal areas at the landfill. Improvements in landfill planning and disposal management will let the Department cut two scrapers from its fleet leaving four to cover excavation tasks at the Miramar Landfill.

<b>BPR Action</b>	<b>Implementation Date</b>	<b>Annual Savings</b>	<b>Savings Over Next 10 Years</b>
Mid-Year Elimination of 36 Positions	FY2007	\$2.46 Million	\$24.6 Million
Additional Savings from Cuts in Positions and Heavy Equipment (Full Year)	FY2008	\$1.16 Million	\$10.4 Million
Octopus Software Effort	FY2008	\$200,000	\$1.8 Million
Eliminate 1 Position	FY2009	\$170,000	\$1.4 Million
Eliminate 2 Positions	FY2010	\$189,000	\$1.3 Million

**Total Recurring Annual Savings (When Fully Implemented) \$4,179,000**

**Total Savings in First Ten Years of Implementation \$39.5 Million**

### **DEPARTMENT EXPLORING ADDITIONAL SAVINGS AND IMPROVED EFFICIENCIES**

The BPR effort for Environmental Services included the identification of other projects and business processes that may be revised or implemented in the future leading to increased efficiencies throughout the Department.

The Department's BPR team will continue to explore opportunities for other cost savings and increased revenues through:

Revised Specifications for HVAC Equipment	Creating Electricity from Municipal Waste
Revenue Bonds Paid by Energy Savings	Replacement of Outdated City Energy Systems
Full Cost Recovery from Disposal Fees	Improved Technology at Landfill Fee Booths
Increasing the Height of the Miramar Landfill	New Funding Sources for Inactive Landfills
Construction & Operation of a Transfer Station	Improved Asbestos and Lead Program Records
Hazardous Materials Training Programs	Longer Hours at Hazardous Waste Facility
Improved Curbside Processing Contract	Continue Last Chance Recycling Pilot Program
Improved Efficiency for Mulch Deliveries	

**Environmental Services Department BPR Impacted Positions**

<b>Position Title</b>	<b>FTE</b>	<b>Representation</b>	<b>Filled/Vacant</b>	<b>Fiscal Year</b>
Custodian II	1.00	Local 127	Filled	FY 2007
Equipment Operator II	1.00	Local 127	Vacant	FY 2007
Equipment Service Writer	1.00	Local 127	Vacant	FY 2007
Heavy Truck Driver	1.00	Local 127	Vacant	FY 2007
Laborer	1.00	Local 127	Vacant	FY 2007
Landfill Equipment Operator	2.00	Local 127	Vacant	FY 2007
<b>TOTAL</b>	<b>7.00</b>			
Hazmat Program Manager	1.00	MEA	Filled	FY 2007
Principal Survey Aide	1.00	MEA	Filled	FY 2007
Public Works Superintendent	1.00	MEA	Filled	FY 2007
Recycling Specialist II	.50	MEA	Filled	FY 2007
Utility Supervisor	3.00	MEA	Filled	FY 2007
Word Processing Operator	3.00	MEA	Filled	FY 2007
Account Clerk	1.00	MEA	Filled	FY 2007
Administrative Aide I	1.00	MEA	Vacant	FY 2007
Associate Mgmt Analyst	2.00	MEA	Vacant	FY 2007
Biologist II	1.00	MEA	Vacant	FY 2007
Clerical Assistant	.50	MEA	Vacant	FY 2007
Code Compliance Officer	1.00	MEA	Vacant	FY 2007
Hazmat Inspector II	2.00	MEA	Vacant	FY 2007
Public Information Clerk	1.00	MEA	Vacant	FY 2007
Principal Utility Supervisor	1.00	MEA	Vacant	FY 2007
Recycling Specialist II	1.00	MEA	Vacant	FY 2007
Supv. Public Info Officer	1.00	MEA	Vacant	FY 2007
<b>TOTAL</b>	<b>22.00</b>			
Associate Civil Engineer	1.00	MEA	TBD	FY 2010
Senior Account Clerk	1.00	MEA	TBD	FY 2008
<b>TOTAL</b>	<b>2.00</b>			
Management Interns	3.00	Unclassified	Filled	FY 2007
Org Effectiveness Specialist II	1.00	Unrepresented	Vacant	FY 2007
Deputy Director	1.00	Unclassified	Filled	FY 2007
Custodian II	1.00	Local 127	Filled	FY 2010
Utility Worker I	1.00	Local 127	Filled	FY 2007
Utility Worker II	1.00	Local 127	Filled	FY 2007
<b>TOTAL</b>	<b>8.00</b>			
<b>GRAND TOTAL</b>	<b>39.00</b>			